BC Hospitality Group A/S

Center Bouldevard 5, DK-2300 Copenhagen S

Annual Report for 2015

CVR No 26 06 77 15

The Annual Report has been presented and adopted at the Annual General Meeting of the Company on 26 May 2016.

Michael Wejp-Olsen

pwc

Contents

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of BC Hospitality Group A/S for the financial year 1 January - 31 December 2015.

The Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Financial Statements are prepared in accordance with the Danish Financial Statements Act. Moreover, the Financial Statements and Management's Review are prepared in accordance with Danish disclosure requirements.

In our opinion, the Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2015.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company.

We recommend that the Annual Report be adopted by the Annual General Meeting.

Copenhagen, 26 May 2016

Board of Directors

Oscar Claudius Crohn Chairman	Mette Kapsch	Johan Ewald Lorentzen
David Robson Øverby	Arne Bang Mikkelsen	Malina Lebrecht Hye
Jimmi Smidt	Michael Dano Andersen	

Executive Board

Allan Linneberg-Agerholm CEO	Pernille Damm Nielsen CFO

Independent Auditor's Report

To the Shareholders of BC Hospitality Group A/S

Report on the Financial Statements

We have audited the Financial Statements of BC Hospitality Group A/S for the financial year 1 January - 31 December 2015, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies. The Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Copenhagen, 26 May 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Torben Jensen
State Authorised Public Accountant

Company Information

The Company	BC Hospitality Group A/S Center Boulevard 5 DK-2300 Copenhagen S CVR no: 26 06 77 15 Financial period: 1 January - 31 December Financial year: 51th financial year Municipality of reg. office: Copenhagen
Executive Board	Allan Linneberg-Agerholm Pernille Damm Nielsen
Board of Directors	Oscar Claudius Crohn Mette Kapsch Johan Ewald Lorentzen David Robson Overby Arne Bang Mikkelsen Malina Lebrecht Hye * Jimmi Smidt * Michael D. Andersen * * Elected by the employees of the Company
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Consolidated Financial Statements	The Company is included in the Consolidated Financial Statements of Solstra Investments A/S.

Financial Highlights

	2015 DKK '000	2014 DKK '000	2013 DKK '000	2012 DKK '000	2011 DKK '000
Income statement					
Revenue	623,203	618,763	591,558	605,166	465,893
Profit from operating activities	113,017	90,683	63,369	95,062	37,470
Value adjustment of investment properties	73,118	110,536	0	0	0
Depreciation	66,520	(91,732)	44,492	44,186	279,346
Profit before financial items	119,615	292,951	18,877	50,876	(241,876)
Financial income and expenses	(55,756)	(162,272)	(28,134)	(71,183)	(48,068)
Profit before tax	63,859	130,679	(9,257)	(20,307)	(289,944)
Net profit for the year	53,240	96,913	4,129	(16,044)	(224,338)
Balance sheet					
Balance sheet total	3,082,234	2,937,257	2,761,143	2,774,042	2,798,089
Equity	1,103,001	914,661	835,153	648,044	685,244
Production property	437,633	453,617	569,704	578,236	582,705
Hotel property	1,441,838	1,444,847	1,321,504	1,330,937	1,339,181
Investment property	808,669	793,515	674,866	640,614	629,553
Credit institution	(1,412,707)	(1,424,384)	(1,408,528)	(1,549,214)	(1,551,151)
Investment in PPE	56,823	67,629	44,951	27,113	395,955
Cash flows					
Cash flows from:					
Operating activities	(36,336)	25,581	28,997	40,450	(44,186)
Investing activities	(56,823)	(67,629)	(44,951)	(27,113)	(395,955)
Financing activities	103,360	43,510	7,461	(4,189)	438,145
No of employees	459	387	404	431	355
Ratios					
Gross margin	18.1%	14.7%	10.7%	15.7%	8.0%
Assets/Equity	2.8	3.2	3.3	4.3	4.1
Return on equity	4.8%	11.1%	0.6%	(2.4) %	(31.0) %

The financial ratios have been prepared in accordance with the latest "Recommendations & Financial Ratios 2015" issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

During 2015, the Company continued pursuing its objective of improving business profitability and expansion, and the strategy remains clear: the Company wants to be a market-leading hospitality operator with several influential, international and recognised brands.

Company has been going through a rebranding process, and in 2015 the portfolio has comprised the strong hospitality brands Bella Center Copenhagen, the Copenhagen Marriott Hotel, Crowne Plaza Copenhagen Towers, AC Hotel Bella Sky Copenhagen, Comwell Conference Center Copenhagen, Copenhagen International Fashion Fair and Forum Copenhagen. 2015 was a year of enhancing brand awareness of these strong hospitality brands in the market. These efforts will continue into 2016, in terms of marketing the unique customer experiences for which the Company is geared through its total service offerings.

The Company will continue investing in enhancing the customer experience, and one of the latest initiatives is to develop new restaurant concepts at the hotels Crowne Plaza Copenhagen Towers and AC Hotel Bella Sky and Copenhagen Mariott Hotel in order to customise the concepts to the hotel guests as well as to attract new customers.

Moreover, the Company has insourced operational functions such as IT/AV handling, cleaning, power, etc. This in order to ensure that the Company can continue to offer competitive prices and flexible services while also generating solid bottom-line growth in the coming years. These measures were primarily introduced in the second half of 2015 and will therefore not have full earnings impact until in 2016.

The total floor space of 225,000 square metres available to the Company (including Crowne Plaza Copenhagen Towers and Copenhagen Marriott Hotel) comprises 1,580 hotel rooms, 165 meeting and conference rooms equipped in a modern style, five large congress and exhibition halls as well as the Forum Copenhagen multi-purpose event arena. The Company can now pave the way for the capital city of Copenhagen succeeding in the battle for big international congresses, meetings and events.

Results for the year
Profit before tax for 2015 amounts to DKK 64 million, which should be compared to a profit of DKK 131 million in 2014. The Company's revenue for 2015 amounts to DKK 623 million compared to DKK 619 million in 2014.

Operating profit shows a DKK 22 million increases to DKK 113 million in 2015. The increase comes from an increase in the number of sold rooms and significant operational efficiency measures. Good progress has been seen for recurring major trade fairs and international congress events. Also in 2015 the operating profit has been affected by a number of one-off restructuring and re-organisation costs.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for 2015 amount to DKK 186 million. The figure includes a DKK 73 million increase in the value of the undeveloped land area and investment properties. The increase in value is related to the increase of the development plan regarding Bellakvarter as well as higher income from rental activities.

Production properties are adjusted upwards by DKK 6 million, primarily as a result of significantly increased revenue from international congresses. The amount after tax is recognised in equity through the statement of comprehensive income.

Hotel operations continue to show good progress in terms of hotel room occupancy. The rebranding into the AC Hotel Bella Sky Copenhagen hotel is expected to further increase the occupancy rate and Average Daily Rate in the coming years. As a result of this, reversal has been made of DKK 10 million of the impairment loss of DKK 250 million recognised in respect of the hotel property in 2011.

Ordinary depreciation of fixed assets increases by DKK 29 million to DKK 76 million in 2015. The increase is primarily due to depreciation of DKK 20 million relating to a demolished storage building, IT and restaurants, etc. Adding the above-mentioned reversal of impairment losses of DKK 10 million, total depreciation and impairment losses in the income statement amount to DKK 67 million in 2015.

Financial income increases from DKK 1 million in 2014 to DKK 31 million in 2015, which is due to a positive fair value adjustment of interest-rate hedging of DKK 31 million.

Total financial expenses for 2015 amount to DKK 87 million. The item comprises interest on bank debt of DKK 54 million, other financial expenses and foreign exchange losses of DKK 5 million as well as reclassification of previous fair value adjustments from the statement of comprehensive income to the income statement of DKK 31 million. The reclassification is related to the change of accounting policy in 2013, as of which year changes in the market value of interest-rate hedging are recognised in the income statement. In the financial expenses capitalised within investment property is included, which amounts to DKK -3 million.

Profit before tax for the year thus shows a total decrease of DKK 67 million to DKK 64 million. Profit after tax for the year shows a DKK 44 million decrease to DKK 53 million.

Tax on profit for the year totals DKK 11 million in 2015 (2014: DKK 34 million).

Balance sheet
Following the capital increase of DKK 105 million in 2015 and adding comprehensive income transferred to equity of DKK 78 million for the year, equity increases from DKK 915 million in 2014 to DKK 1,103 million in 2015.

The consolidated balance sheet total increases from DKK 2,937 million in 2014 to DKK 3,082 million in 2015. Properties, machinery and equipment/tools and equipment increase by DKK 1 million to a total of DKK 2,822 million.

The balance sheet value of the hotel property is DKK 1,442 million in 2015 compared to DKK 1,445 million in 2014. The value of investment properties amounts to DKK 809 million in 2015 compared to DKK 794 million in 2014, including the value of building rights. Projected/contracted buildings with floor space of some 37,000 square metres and building rights for floor space of some 268,000 square metres have been valued at DKK 103 million (2014: DKK 135 million). The value of halls and meeting facilities at Bella Center Copenhagen including the related site area amounts to DKK 438 million compared to DKK 454 million in 2014.

Uncertainty of recognition and measurement
Properties have been stated in the balance sheet at the net present value of expected future cash flows. Properties in the balance sheet are measured at fair value by discounting the expected operational development at the discount rates determined. Fluctuations in the value of properties are thus related to changes in operations and the discount rate. For details, reference is made to notes 1, 2, 11, 12 and 13.

Financing
In 2015, it was decided to inject new capital of DKK 105 million to reinforce the Company's capital base in order to support its development. In 2015, share capital of DKK 100 million has been paid in as planned.

The Company's bank debt amounts to DKK 1,413 million compared to DKK 1,424 million in 2014. The financing has primarily been raised as mortgage loans. The interest-rate hedged part of the debt amounts to DKK 750 million at the end of 2015 (2014: DKK 750 million).

Cash flows
Consolidated cash flows from operating activities amount to DKK 21 million compared to DKK 91 million in 2014. Financial expenses paid amount to DKK 56 million. An amount of DKK 40 million has been spent on ordinary investments, including primarily renovation of the facilities at Bella Center Copenhagen of DKK 22 million, IT and other operational investments of DKK 4 million and acquisition of equipment in connection with insourcing of DKK 6 million. Moreover, DKK 8 million has been paid for the rebranding of AC Hotel Bella Sky. Finally, an amount of some DKK 16 million has been spent in relation to the local area development plan, which increases the plot ratio. Net bank debt shows a decrease of DKK 12 million in 2015.

Through a management agreement, the Company manages the Crowne Plaza Copenhagen Towers Hotel and the Marriott Hotel Copenhagen. The total revenue of the companies amounts to DKK 976 million, and EBITDA aggregate DKK 171 million in 2015. The revenues and net profits of these two hotels are not included in the Financial Statements of the Company.

Outlook
In 2016, Bella Center Copenhagen has succeeded in attracting a number of very big international congresses and corporate events; i.e. big and highly profiled events which, besides generating revenue in many business areas, will also profile Bella Center Copenhagen and Denmark to the world. 2016 is set to be a record congress year with approx. 70,000 visitors to Bella Center Copenhagen alone, which will have a positive effect on most of the Company's business areas.

The three strong hotel brands offering a total of 1,580 rooms provide synergies for organisers who have access to a selection of internationally recognised hotel brands and internal synergies by way of more efficient operations. The doubling of the number of available hotel rooms also brings new opportunities of attracting events. The hotel cooperation supports our capability of offering customers accommodation options in many places, and it increases the occupancy rates of all hotels.

The large and influential trade fairs at Bella Center Copenhagen will continue to have high priority, and development investments are being made. AC Hotel Bella Sky Copenhagen and the launch of Comwell Conference Center Copenhagen are expected to continue attracting several of these events in the coming years. Organisationally and in terms of investments, the Company will focus on reaping economies of scale from fully integrated operations and on optimising the internal business processes to make the customer experience even more flexible and efficient.

Against that background, the Company expects to increase the operating profit before financial income and expenses, value adjustment of properties, asset divestments and tax by DKK 40-50 million in 2016. In order to further support this development, the Company is looking for more relevant expansion opportunities in the Copenhagen region.

In cooperation with Copenhagen Municipality, the Company plans to create a new attractive urban neighbourhood and to further develop its conference, meeting, office, hotel and showroom facilities. The development of a new urban neighbourhood will make it possible to develop the Bella Center

Copenhagen area into a more integrated and live urban space. The project is unusual in that a new, close-by urban neighbourhood will be built around a large existing conference centre.
It is the ambition to create exchange between the neighbourhood and Bella Center Copenhagen by, amongst other things, establishing good urban open spaces with exhibition potential and recreational facilities to the benefit of the Company's customers and the approximately 1,800 new homes and 5,000 jobs.

The total master plan for the area allows for the construction of buildings with a floor space of 305,000 square metres on the total site in question. Housing with a floor space of 175,000 square metres and buildings for commercial purposes with a floor space of 130,000 square metres may be constructed. Adding the Bella Center Copenhagen buildings with a floor space of 145,000 square metres, the total floor space will be 450,000 square metres when the project has been fully developed. The approval of local area development plan 508 at the end of 2014 enabled the Company to initiate the construction of housing with a total floor space of some 89,000 square metres. The Company is working on the coming local area development plan, which went out for consultation at the end of 2015 and if approved, it will allow for a further 58,000 residential square metres to be constructed.

In 2015, the Company commenced construction in part area 3 where 127 terraced houses and 48 flats are being constructed, which were put on the market at the end of 2015. At the same time, in cooperation with fsb, the Company is planning the construction of family and youth housing with a floor space of 18,000 square metres over the coming years. During 2016, more construction is expected to be projected under local area development plan 508 and in the south- eastern part.

Subsequent events
No other events which could materially affect the assessment of the financial position of the Company have occurred after year end.

Statutory statement on Corporate Social Responsibility (CSR) – pursuant to section 99a of the Danish Financial Statements Act

Respect for human rights, society and the environment is an integrated part of The Company's 360 degree strategic approach to sustainability called Responsible Hospitality. We are members of the UN Global Compact, and we make sure that all our business activities are in accordance with the ten principles of the UN Global Compact.

Human rights affect our business in various ways. We take a holistic approach to our respect and efforts within human rights by means of various initiatives relating to employees, health and safety, local community involvement and suppliers. Such initiatives include the following:
Mutual respect among our employees is one of the Company's core values. Our policies and efforts comprise diversity, anti-discrimination, training and education opportunities, trade union freedom and a healthy working environment. Examples of how we have worked with this and the results of these initiatives include the following:

We make an active effort to be a workplace of great diversity. This is done by, for example, recruiting and promoting employees solely on the basis of their skills without discrimination on grounds of gender, ethnicity, age, etc. As a result of this, our employees represent 30 nationalities, and our overall gender distribution among our permanent staff is 57% women and 43% men in 2015.

In October 2015, we launched BC Academy as a learning platform for our employees. The objective is to strengthen the employees' professional and personal competences. This includes training and courses in order to ensure the development and retention of our employees in all divisions and areas in the Company. 80 employees have completed a training programme in 2015.
Based on a high sickness rate in 2015 of 4.61%, we have implemented a long-term action plan comprising a number of communication and training/education initiatives. The objective is to reduce the sickness rate to 4.5% in 2016.

Through our safety policy, we endeavour to guarantee our employees, guests and other stakeholders a safe and secure environment at all our premises. Consequently, in 2015 we launched our Safe Space Programme, which is basically a series of safety courses for all employees. The objective is to prepare the employees for a number of risk situations and teach them how to act. In 2015, a total of 142 employees completed training under the Company Safe Space Programme.

Our efforts in the local community have special focus on providing job opportunities and apprenticeships and traineeships to people who may have difficulties finding a job. In cooperation with local authorities and other local community players, we therefore recruit both short-term and long-term unemployed persons and candidates who are physically and mentally challenged. In 2015, the Company offered 38 trainee positions, 37 student trainee jobs, 13 jobs under the wage subsidy scheme and 37 traineeships.

We encourage our suppliers to be socially responsible in accordance with internationally accepted principles as defined in our Supplier Code of Conduct. This means that the suppliers should ensure CSR improvements on a current basis. It is particularly important to have focus on high-risk suppliers, e.g. suppliers from lines of business or countries that are known for being especially challenged in the areas of human rights, employee rights, environment and anti-corruption. For example, in 2015 we have changed our purchases of sugar and beef to a more sustainable product range. Furthermore, we have extended our range of sustainable Oran Utan coffee to the entire Company.

According to the Company's environmental policy, we undertake to protect the natural resources on which we have an impact and to make sure that all potentially negative effects of our activities on the environment and the climate are identified and managed. Our focus areas in this respect include sustainable food and beverages, energy reduction and waste management.

In 2015, the Company continued working with waste sorting in 16 fractions. We also continued our contribution to local biodiversity by housing several million bees at our site in cooperation with our partner Bybi (City Bees).

We have increased our focus on the work with organic, local and seasonal foods in 2015. On average, the percentage of the use of organic products in the Company has increased from 15% in 2014 to 21.5% in 2015.

The Company is still certified under the international eco-labelling Green Key. Bella Center Copenhagen's involvement in the Danish Sustainable Event Initiative has discontinued as the Danish Ministry of Foreign Affairs has terminated the project. Management has decided to postpone a possible start-up of the implementation of ISO 20121 until 2017.

Unfortunately, the wind turbine at Bella Center Copenhagen will be dismantled in 2016 as the exemption granted to the Company by the Municipality of Copenhagen in respect of the wind turbine expires.

In 2016, the Company is planning to develop a new Responsible Hospitality strategy. Based on an analysis of significant areas and a dialogue with stakeholders, we will establish the right structure, objectives, action plans, responsibility and procedures for ensuring compliance with our social, environmental and financial responsibility.

Statutory statement of the gender composition of Management pursuant to section 99b of the Danish Financial Statements Act

The Company is working to promote diversity, including ensuring that Management and its composition should reflect the surrounding society.

In 2015, the members of the Board of Directors appointed by the general meeting comprise 25% women and 75% men. For this reason we have not set any target figures for the Board of Directors.

In 2015, the Company's Executive Board consisted of 50% men and 50% women. Thus, we have equal gender distribution at other management levels, defined as the Executive Board, and therefore do not have to account further for our policy, efforts and results.

Income Statement of 1 January – 31 December

	Note	2015 DKK '000	2014 DKK '000
Revenue	3	623.203	618,763
Cost of goods sold		(158,334)	(171,548)
Other external costs		(151,392)	(169,104)
Staff expenses	4	(200,460)	(187,428)
Gross profit		**113,017**	**90,683**
Fair value adjustments of investments properties		73,118	110,536
Profit before financial income, expenses and depreciation		**186,135**	**201,219**
Depreciation	5	(66,520)	91,732
Profit before financial income and expenses		**119,615**	**292,951**
Financial income	6	31,124	981
Financial expenses	7	(86,880)	(163,253)
Profit before tax		**63,859**	**130,679**
Tax on profit for the year	8	(10,619)	(33,766)
Net profit for the year		**53,240**	**96,913**

Statement of Comprehensive Income 1 January – 31 December

	2015 DKK '000	2014 DKK '000
Net profit for the year	**53,240**	**96,913**
Items that will not be reclassified to profit or loss		
Fair value adjustment of property	5,518	(129,592)
Tax of fair value adjustment	(1,241)	29,158
Items that may be reclassified to profit or loss		
Recycling of prior years' fair value adjustments on cash flow hedges	31,364	37,365
Tax of fair value adjustment	(5,489)	(6,352)
Other comprehensive income	**30,152**	**(69,421)**
Total comprehensive income for the year	**83,392**	**(27,492)**

Balance Sheet 31 December - Assets

	Note	2015 DKK '000	2014 DKK '000
Assets			
Non-current assets			
Leasehold improvements	9	6,001	7,291
Equipment	10	127,959	121,326
Production properties	11	437,633	453,617
Hotel property	12	1,441,838	1,444,847
Investment properties	13	808,669	793,515
Tangible assets		**2,822,100**	**2,820,596**
Investment in subsidiaries	16	500	0
Deposits	17	1,893	1,895
Financial assets		**2,393**	**1,895**
Non-current assets		**2,824,493**	**2,822,491**
Inventories	18	156,130	20,599
Trade receivables	19	68,787	57,929
Expenses related to future events		4,973	3,646
Accrued capital contribution from owners	27	5,388	23,075
Other receivables		7,852	5,108
Cash at bank and in hand		14,611	4,409
Current assets		**257,741**	**114,766**
Total assets		**3,082,234**	**2,937,257**

Balance Sheet 31 December – Liabilities and Equity

	Note	2015 DKK '000	2014 DKK '000
Liabilities and equity			
Share capital	20	362,590	257,642
Reserve for unpaid share capital		5,388	23,075
Share premium		113,456	113,456
Special reserve		210,809	210,809
Reserve for investments		336,626	279,960
Revaluation reserve		82,472	78,195
Reserve for hedge transactions		(115,819)	(141,694)
Retained earnings		107,479	93,218
Equity		**1,103,001**	**914,661**
Provision for deferred tax	22	159,066	143,643
Credit institutions	23	1,264,996	1,311,995
Non-current liabilities		**1,424,062**	**1,455,638**
Credit institutions	23	55,666	37,519
Borrowings		92,045	74,870
Prepayments received from customers		66,292	79,165
Deposits		15,539	14,384
Trade payables		55,552	51,722
Payables to group enterprises	27	16,085	109
Corporate tax	8	3,412	7,371
Derivative financial instruments	23	210,504	241,516
Other payables		40,076	60,303
Current liabilities		**555,172**	**566,959**
Total liabilities and equity		**3,082,234**	**2,937,257**

Statement of Changes in Equity

(DKK thousand)	Share capital	Reserve for unpaid share capital	Share premium	Special reserve	Reserve for invest-ments	Re-valuation reserve	Hedging reserve	Retained earnings	Total
Equity at 1 January 2014	**206,139**	-	**112,987**	**210,809**	**194,295**	**178,629**	**(172,707)**	**105,003**	**835,155**
Results for the year	-	-	-	-	85,665	-	-	11,248	96,913
Valuation of properties	-	-	-	-	-	(100,434)	-	-	(100,434)
Reclassification of fair value adjustments related to financial instruments	-	-	-	-	-	-	31,013	-	31,013
Comprehensive income for the year	-	-	-	-	**85,665**	**(100,434)**	**31,013**	**11,248**	**27,492**
Capital increase	51,503	23,075	469	-	-	-	-	(23,075)	51,972
Dividend	-	-	-	-	-	-	-	42	42
Total transactions with owners	**51,503**	**23,075**	**469**	-	-	-	-	**(23,033)**	**52,014**
Equity at 31 December 2014	257,642	23,075	113,456	210,809	279,960	78,195	(141,694)	93,218	914,661
(DKK thousand)									
Equity at 1 January 2015	**257,642**	**23,075**	**113,456**	**210,809**	**279,960**	**78,195**	**(141,694)**	**93,218**	**914,661**
Results for the year	-	-	-	-	56,666	-	-	(3,426)	53,240
Valuation of properties	-	-	-	-	-	4,277	-	-	4,277
Reclassification of fair value adjustments related to financial instruments	-	-	-	-	-	-	25,875	-	25,875
Comprehensive income for the year	-	-	-	-	**56,666**	**4,277**	**25,875**	**(3,426)**	**83,392**
Capital increase	104,948	5,388	-	-	-	-	-	(5,388)	104,948
Share capital paid in the year	-	(23,075)	-	-	-	-	-	23,075	-
Total transactions with owners	**104,948**	**(17,687)**	-	-	-	-	-	**17,687**	**104,948**
Equity at 31 December 2015	362,590	5,388	113,456	210,809	336,626	82,472	(115,819)	107,479	1,103,001

Cash Flow Statement 1 January – 31 December

	Note	2015 DKK '000	2014 DKK '000
Profit before financial income and expenses		**119,615**	**292,951**
Fair value adjustments of investments properties		(73,118)	(110,536)
Depreciation		66,520	(91,732)
Cash flow before changes		**113,017**	**90,683**
Inventories		(68,595)	302
Trade receivables		(10,858)	(19,410)
Receivables from group enterprises		0	0
Expenses related to future events		(1,327)	534
Notes receivables		14,943	7,305
Prepayments received from customers		(12,873)	11,170
Deposits		1,155	743
Trade payables		(17,783)	10,033
Other payables		1,387	(10,684)
Cash flow from operating activities before financial items		**19,065**	**90,676**
Paid financial income		112	981
Received financial expenses		(55,513)	(58,851)
Corporate tax		0	(7,225)
Cash flow from operating activities		**(36,336)**	**25,581**
Purchase of tangible assets		(56,324)	(67,616)
Purchase of financial assets		(498)	(13)
Cash flow from investing activities		**(56,822)**	**(67,629)**
Deduction of debt financing		(1,024,053)	(19,621)
Raising of debt financing		1,012,373	34,192
Capital contribution		104,948	28,897
Dividends		0	42
Payables to group enterprises		10,092	0
Cash flow from financing activities		**103,360**	**43,510**
Change in cash and cash equivalents		**10,202**	**1,462**
Cash and cash equivalents at 1 January		4,409	2,947
Cash and cash equivalents at 31 December		**14,611**	**4,409**

Notes to the Financial Statements

Note 1 – Accounting policies for the Financial Statements

At 1 January 2015, Company merged with the wholly owned subsidiary Forum København ApS. The pooling of interest method is used to account for the merger, by which the figures for Forum København ApS have been incorporated into the Company at the book value and no goodwill or excess values have been booked. The comparative figures have been restated.

The Annual Report of the Company for 2015 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and additional Danish requirements applying to presentation of Annual Reports of large enterprises of reporting class C, cf the Danish Executive Order on Adoption of IFRSs issued pursuant to the Danish Financial Statements Act.

The accounting policies applied remain unchanged from last year.

The Company is a public limited company, and its registered office is in Copenhagen, Denmark.

New standards, amendments and interpretations not yet adopted

The Company has adopted all new or amended standards and interpretations from 1 January 2015. The adoption of the amended standards and interpretations has not had an impact on recognition or measurement in the financial statements.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements, except the following set out below:

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018, and earlier application is permitted.

IFRS 9, 'Financial Instruments' was issued in 2014 as a complete version of the standard. IFRS 9 replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The new IFRS 16, leasing standard changes the accounting treatment of leases which are currently treated as operating leases. The standard requires that all leases, regardless of type and with few exceptions, must be recognised in the lessee's balance sheet as an asset with a related liability. Besides, the lessee's income statement will be affected as the annual leasing costs will in future consist of two elements – depreciation and interest expenses – as opposed to now, where the annual costs relating to operating leases are recognised as one amount in other external expenses.

The Company is currently assessing the impacts of IFRS 15, IFRS 9 and IFRS 16.
No other IFRS or IFRIC interpretations are expected to have a material impact on the Company. The standards are expected to be implemented at their latest implementation date.

Presentation currency and functional currency
The Annual Report is presented in Danish kroner. The functional currency is Danish kroner.

Translation policies
A functional currency is determined for the enterprise. The functional currency is the currency used in the primary economic environment in which the enterprise operates. Transactions in other currencies than the functional currency are on initial recognition translated to the functional currency at the exchange rates prevailing at the date of the transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income statement

Revenue
Revenue primarily consists of income from hotel rooms; conferences; rental income from booths; other rental income; income from setting up and arranging booths and meeting facilities; electricity, IT, tele and AV deliveries; services (parking, security, inspection of tickets etc.), as well as restaurant and catering services.

Revenue from sale of goods is recognised at the time of holding the event or meeting. Revenue from delivery of services is recognised at the rate of delivering the service. Revenue is determined less VAT, charges, payments to co-suppliers and discounts.

Cost of goods sold
Cost of goods sold comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance etc. as well as operation, administration and management of factories.

Value adjustment of investment property
The Company's investment property is measured at fair value and the value adjustments are recognised in the income statement.

Depreciation and impairment losses

Depreciation of property, plant and equipment is calculated on a straight-line basis based on cost and below assessment of the expected useful lives of the assets:

	Useful life (years)
Production buildings (incl. hotel property)	100
Exhibition and convention centres, auditoriums etc.	10-50
Other fixtures and operating equipment	1-15

Depreciation period and residual value are reassessed annually.
Assets costing less than DKK 12,800 are expensed in the year of acquisition.

Leasehold improvements are depreciated over the remaining lease term. Land and investment property are not depreciated.
Depreciation is determined in consideration of the asset's residual value and reduced by any impairment losses. The residual value is determined at the date of acquisition and is assessed annually. If the residual value exceeds the carrying amount of the asset, depreciation ceases. Property, plant and equipment are derecognised on disposal or when no economic benefits are expected to flow to the Company in connection with use or disposal of the asset. Any gains or losses arising on derecognition of the asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the income statement on derecognition of the asset.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest, dividends, realised exchange adjustments, amortisation of mortgage loans as well as repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year less the portion of tax related to changes in equity. Current and deferred tax attributable to changes in equity is recognised directly in equity. The Company is jointly taxed with group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation).

Jointly taxed companies which have paid too much tax are compensated as a minimum according to applicable rates for interest reimbursement by the administration company, just as jointly taxed companies with outstanding tax as a maximum pays a charge in accordance with applicable rates for interest charges to the administration company.

Balance sheet

Leasehold improvements

Leasehold improvements as well as fixtures and operating equipment are measured at original acquisition cost plus subsequent additions less accumulated depreciation and impairment losses. The acquisition cost of combined assets is divided into separate components that are depreciated individually if the useful life of each component varies. Subsequent expenses, eg from replacing components in an asset, are recognised in the carrying amount of the asset in question when it is probable that the incurrence of costs will result in future economic benefits for the Company. The replaced components are derecognised in the balance sheet and the carrying amount is transferred to the income statement. All other expenses for ordinary repairs and maintenance are recognised in the income statement as incurred.

An impairment test is carried out in terms of leasehold improvements, fixtures and operating equipment if there are indications of impairment. The impairment test is performed for each asset and group of assets, respectively. The assets are written down to the higher of the asset's or group of assets' value in use and net selling price (recoverable amount) if this is lower than the carrying amount.

Equipment

Property is in the balance sheet classified as investment property, production property and hotel property. Hotel property comprises the Bella Sky Hotel. Investment properties comprise show rooms, office leases and undeveloped sites. Production properties comprise auditoriums, meeting facilities and halls.

The balance sheet value of properties comprises buildings and related site. Investment property and production property are initially recognised at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Other equipment is measured at purchase cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16. Revaluations or reversals of revaluations less deferred tax concerning production and hotel property are recognised through other comprehensive income under revaluation reserves. To the extent that an impairment loss on the same revalued asset was previously recognised in profit and loss, a reversal of that impairment loss is also recognised in the profit and loss. Impairment losses at a value below cost are recognised in the income statement. Value adjustment of investment property is recognised as a separate item in the income statement.

Finance leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The cost of goods for resale, raw materials and consumables equals landed cost. The net realisable value of inventories is calculated as the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum. On Management decided to change the strategy of building plots originally recognised as Investments Properties to Inventories as Management's intention is to sell these plots. The building plots have been transferred to the fair value at year end.

Receivables
Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions are determined on the basis of an individual assessment of the receivables that are estimated to be risky.

Equity
Reserve for investment assets and revaluation reserve are determined as the value adjustment of investment property after tax and the value adjustment of production property after tax, respectively. Distributable reserves are determined as premiums transferred to reserves in connection with issues, transfers to special reserve, reserve for investment assets (including fair value adjustment of rental property) as well as retained earnings. The hedging reserve includes changes in the fair value of derivatives classified and qualifying as cash flow hedges. Proposed dividend is presented as a separate item under equity. Dividend is recognised as a liability at the time of declaration. Purchase and sale of own shares are recognised directly in equity under distributable reserves.

The outstanding payment of share capital has in accordance with Danish legislation been recognised according to the net method in the Financial Statements and disclosed as a special reserve in the statement of equity.

Provisions
Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Taxes payable and deferred tax
Current tax liabilities are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, except for temporary differences arising on the date of acquisition of assets and liabilities and which neither affect profit/loss nor the taxable income.

In cases where determination of the tax base may be performed based on different taxation rules, deferred tax if measured based on Management's intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under long-term assets at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Adjustment is made of deferred tax concerning elimination of unrealised intercompany profits and losses.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Financial debts
Financial debts are recognised initially as the proceeds received net of transaction expenses incurred. Subsequently, interest-bearing debt is measured at amortised cost determined based on the effective

interest rate at the time of borrowing. Remaining debt is measured at amortised cost, corresponding to nominal debt outstanding.

The amortisations from the original loans have been transferred to the new loans together with the new amortised costs, and will be amortised over the term of the new loans.

Derivative financial instruments
Derivative financial instruments, including cash flow hedges through interest rate swaps after tax, are recognised at fair value. Amortisation and changes in the fair values of derivative financial instruments are recognised in the income statement until the hedged transaction expires. If the hedged transaction results in an asset or a liability, the accumulated market value adjustment is recognised in the cost of the asset or liability, and if the transaction results in an income or a cost, the accumulated market value adjustment is recognised under financial items in the income statement together with the hedged item. Accumulated value adjustments of hedging instruments (interest rate swap) recognised in accordance with the hedging provisions in special reserve under equity and carried via the statement of comprehensive income are amortised as the interest rate swap is settled.

Value adjustment to fair value of derivative financial instruments which do not qualify as hedging instruments is recognised in the income statement.

Cash flow statement
The cash flow statement shows the cash flows for the year, changes for the year in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are presented indirectly and are calculated as the net profit/loss for the year adjusted for changes in non-cash operating items, changes in working capital, paid financial items and paid corporation tax.

Cash flows from investing activities comprise payments in connection with purchase and sale of property, plant and equipment as well as securities attributable to investing activities.

Cash flows from financing activities comprise dividend distribution to shareholders, capital increases and reductions as well as raising of loans and repayment of interest-bearing debt.

Cash and cash equivalents comprise "Cash at bank and in hand" and short-term securities with an insignificant risk of value changes that can readily be turned into cash.

Financial ratios
The financial ratios have been prepared in accordance with the latest "Recommendations & Financial Ratios 2015" issued by the Danish Society of Financial Analysts.

Gross margin:
Gross profit (contribution margin) / Revenue * 100

Profit margin:
Net profit before financial income and expenses / Revenue * 100

Return on assets:
Net profit before financial income and expenses /Average assets * 100

Solvency ratio:
Equity/Assets * 100

Return on equity:
Net profit for the year/Average equity * 100

Note 2 – Significant accounting estimates and assessments

On application of the Company's accounting policies as described in note 1, Management is required to perform assessments and use estimates as well as prepare assumptions for the carrying amount of assets and liabilities, which cannot be directly derived from other sources. These estimates and assumptions are based on historical experience and other relevant factors. Actual outcome may differ from these estimates.

The performed estimates and underlying assumptions are reassessed on an ongoing basis. Changes to accounting estimates are recognised in the period in which the change takes place and in future accounting periods if the change has an effect on both current and subsequent accounting periods.

In connection with the practical application of the described accounting policies, Management has performed the following significant accounting assessments which have had an effect on the financial statements.

Fair value adjustment of property

Investment, production and hotel properties are measured at fair value. Value adjustment of investment property is charged to the income statement and value adjustment of production property is charged to other comprehensive income.

To provide an indication of the reliability of the input used in determining fair value, the Company has classified its financial assets and liabilities into the three levels prescribed under the accounting standards. An explanation of each level is provided in Note 14 – Fair value hierarchy.

At the end of each reporting period, Management updates their assessment of the fair value of each property, taking into account the most recent market conditions and independent valuation reports. Management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available Management consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence.

The measurements contain several elements based on Management's estimate of current market conditions, including discount rate, capital structure and growth rate. For a detailed description of estimated assumptions and sensitivity analysis, please refer to current asset notes.

Fair value measurements are performed unchanged based on the capitalised value of Management's statement of expected annual cash generated from operations in a going concern context based on the required market rate of return.

All resulting fair value estimates for properties are included in level 3 the Fair value hierarchy in Note 14.

Deferred taxes
The deferred tax assets include an amount of DKK 64,240k, of which DKK 60,869k relates to tax loss carry forward from financial expenses caps. The Company has concluded that the deferred assets will be recoverable using the estimated future taxable income from finance activities based on the approved business plans and budgets.

	2015 DKK '000	2014 DKK '000
Note 3 – Revenue		
Sale of services	479,033	473,584
Sale of goods	144,170	145,179
	623,203	**618,763**
Note 4 – Staff expenses		
Wages and salaries	181,907	159,686
Pensions, defined contribution plans	14,649	12,849
Social security costs	3,524	2,865
Other staff related costs	380	12,027
	200,460	**187,427**
Average number of employees	**459**	**387**
Remuneration of Key Management		
Salaries and remuneration	20,492	18,458
Termination benefit	0	3,000
Bonus	200	465
Pensions, defined contribution plans	1,473	1,177
	22,165	**23,100**

The Board of Directors has an annual bonus plan, which depends on the future results.

	2015 DKK '000	2014 DKK '000
Note 5 – Depreciation		
Leasehold improvements	2,139	2,013
Equipment	28,222	20,451
Production property	32,721	12,780
Hotel property	12,976	11,783
Reversal of previous years impairment	(9,538)	(138,759)
	66,520	**(91,732)**

Note 6 – Financial income

	2015 DKK '000	2014 DKK '000
Fair value adjustment of interest rate swap	31,012	0
Interest received from Group enterprises	0	0
Other financial income	112	981
	31,124	**981**

Note 7 – Financial expenses

	2015 DKK '000	2014 DKK '000
Fair value adjustment of interest rate swap	0	65,755
Interest on long-term debt	53,506	55,880
Reclassification of previous fair value adjustments on the interest swap	31,364	37,365
Other financial expenses	5,064	4,253
Less: Finance costs capitalised within investment property (Note 13b)	(3,054)	0
	86,880	**163,253**

The capitalised borrowing costs are estimated at the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 3,6%

Note 8 – Tax on profit for the year

	2015 DKK '000	2014 DKK '000
Addition from merger	0	6,907
Adjustment of previous years	(1,486)	0
Change in deferred tax	15,423	6,886
Tax on profit	3,412	0
Change in corporate tax rate	0	(2,833)
	17,349	**10,960**
Distributed as follows:		
Income tax expense	10,619	33,766
Tax on other comprehensive income	6,730	(22,806)
	17,349	**10,960**
The effective tax rate is computed as followed		
Danish tax rate	23.5	24.5
Non deductible costs	0	7.6
Adjustment because of reduced tax rate	(6.9)	(3.6)
Effective tax rate	**16.6**	**28.5**

	2015 DKK '000	2014 DKK '000
Note 9 – Leasehold improvements		
Cost		
At 1 January	39,436	39,011
Additions	849	425
Disposals	0	0
At 31 December	40,285	39,436
Accumulated depreciation		
At 1 January	32,145	30,132
Depreciation for the year	2,139	2,013
At 31 December	**34,284**	**32,145**
Carrying amount at 31 December 2015	**6,001**	**7,291**

Note 10 – Equipment

	2015 DKK '000	2014 DKK '000
Costs		
At 1 January	235,754	225,181
Additions	34,855	18,900
Disposals	(15,662)	(8,327)
At 31 December	254,947	235,754
Depreciation		
At 1 January	114,427	102,304
Depreciation	26,513	20,450
Reversal of depreciation of divested assets	(13,952)	(8,327)
Depreciation at 31 December	126,988	114,427
Carrying amount at 31 December 2015	**127,959**	**121,327**
Finance lease assets	9,553	10,144

Of which the short term assets amount to DKK 2.900k

pwc

Note 11 – Production properties

Halls/Auditoriums/Meeting facilities

	2015 DKK '000	2014 DKK '000
Costs		
At 1 January	624,052	599,236
Additions	11,218	26,285
Disposals	(26,340)	(1,469)
At 31 December	608,930	624,052
Revaluation		
At 1 January	19,648	149,240
Revaluation	5,518	0
Reversal of previous revaluation	0	(129,592)
At 31 December	25,166	19,648
Depreciation		
At 1 January	190,083	178,772
Depreciation	14,587	12,780
Reversal of depreciation of divested assets	(8,207)	(1,469)
Depreciation at 31 December	196,463	190,083
Carrying amount at 31 December 2015	**437,633**	**453,617**
Difference between carrying amount at 31 December and carrying amount if the revaluation was not entered	0	0

Production property
The fair value of production property as of 31 December is determined by discounting expected cash flows by a discount rate of 7.4% (2014: 7,4%). Income from production comprises income from events, including a specific projection of rent, additional sales as well as catering split up into fairs, meetings, conferences, conventions, concerts, company events etc.

Sensitivity – value adjustment of production property
Value adjustment of property depends on the development in the discount rate, expected cash flow and expected growth rate.
In the case of production activity, a change in the discount rate of +/- 0.25 percentage point, or a permanent change in results before tax of +/- DKK 2.5 million will affect the assessment value by +/- DKK 20-30 million. The sensitivity related to fluctuations in the growth rate of +/- 0.25 percentage point affects the assessment value by +/- DKK 15-25 million. Revaluation of DKK 5,489k from the fair value adjustment is recognised per 31 December as fair value adjustment of property in the Statement of Comprehensive Income.

Note 12 – Hotel property (Production property)

Bella Sky

	2015 DKK '000	2014 DKK '000
Costs		
At 1 January	1,507,968	1,511,601
Additions	1,192	398
Disposals	(763)	(4,031)
At 31 December	1,508,397	1,507,968
Revaluation		
At 1 January	88,931	88,931
Revaluation	0	0
At 31 December	88,931	88,931
Depreciation		
At 1 January	152,052	279,028
Depreciation	12,976	11,783
Reversal of depreciation of divested assets	(9,538)	(138,759)
Depreciation at 31 December	155,490	152,052
Carrying amount at 31 December 2015	**1,441,838**	**1,444,847**
Difference between carrying amount at 31 December and carrying amount if the revaluation was not entered	0	0

Hotel property

The fair value of hotel property at 31 December is determined by discounting expected cash flows by a discount rate of 6,7% (2014: 6,5%). Income from hotel activities comprises income from booking of hotel rooms as well as meetings and events, including a specific projection of room booking per customer segment and sale of meeting rooms for rent and catering (distribution 65/35). Once the hotel has been up and running for five years, the occupancy level and room rates are expected to be at the level of other four-star hotels in Copenhagen, in consideration of the location next to the Bella Center Copenhagen's conference facilities.

An impairment loss of DKK 250 million was recognised in respect of the hotel property in 2011, consequently the fair value adjustment of DKK 9,538k has been recognised as a reversal impairments.

Sensitivity – value adjustment of hotel property

Value adjustment of property depends on the development in the discount rate, expected cash flow and expected growth rate. In case of hotel activity, a change in the discount rate of +/- 0.25 percentage point, or a permanent change in results before tax of +/- DKK 2.5 million will affect the land assessment value by +/- DKK 75-85 million and +/- DKK 50 million, respectively. The sensitivity related to fluctuations in the growth rate of +/- 0.25 percentage point will affect the land assessment value by +/- DKK 50-60 million.

Note 13 (a) – Investment properties

	2015 DKK '000	2014 DKK '000
Rental		
Costs		
At 1 January	380,172	415,805
Additions	8,972	8,112
Write downs	0	(43,745)
At 31 December	389,144	380,172
Value adjustments		
At 1 January	277,766	226,121
Revaluation	38,806	51,645
At 31 December	316,572	277,766
Carrying amount at 31 December 2015	705,716	657,938
Realised rental income		
Rental revenue	43,553	40,558
Related costs to rented areas (repair & maintenances, administration costs, sales and marketing costs and property taxes)	9,556	10,101

Rental property

The fair value of investment property at 31 December is determined by discounting expected cash flows by a discount rate of 4,4% (2014: 4,4%). Income from lease activities comprises income from long-term office leases and show rooms, including a specific projection of expected rent per lease as well as the divestment value of undeveloped sites. The value of investment property is DKK 809 million in 2015, which includes the value of building rights. Projected/contracted settlements of approximately 37,000 square metres and building rights of approximately 268,000 square metres amounting to DKK 103 million (2014: DKK 135 million) are recognised in the balance sheet.

Sensitivity – value adjustment of investment property

Value adjustment of property depends on the development in the discount rate, expected cash flow and expected growth rate.

In case of renting activity, a change in the discount rate of a +/- 0.25 percentage point or a permanent change in results before tax of +/- DKK 2.5 million will affect the land assessment value by +/- DKK 50 million.

The sensitivity related to fluctuations in the growth rate of +/- 0.25 percentage point will affect the land assessment value by +/- DKK 50 million.

Note 13 (b) – Investment properties

Undeveloped land area

	2015 DKK '000	2014 DKK '000
Costs		
At 1 January	0	0
Additions	12,159	0
At 31 December	12,159	0
Value adjustments		
At 1 January	135,577	32,940
Revaluation	34,312	102,637
Transferred to Inventories, Property held for sale	(79,095)	0
At 31 December	90,794	135,577
Carrying amount at 31 December 2015	**102,953**	**135,577**
Undeveloped land area (m^2)	268,340	305,240

Land development costs related to building rights: DKK 12.159k
Transferred to property inventory: DKK 79.095k (ref note 18)

Undeveloped land area
The fair value of 268,000 square metres amounting to DKK 103 million at 31 December 2015 (2014: DKK 135 million) is determined by an estimated m^2 price multiplied by the actual m^2 from the approved masterplan less a deduction of the profit margin to the Municipality of Copenhagen on undeveloped land as stated in the conveyance deed.

Note 14 – Fair value hierarchy

	2015 Level 1 DKK '000	Level 2 DKK '000	Level 3 DKK '000
Disclosures about assets and liabilities determined at fair value			
Liabilities measured at fair value			
Financial liabilities, negative market value of interest rate swap		210,504[1]	
Assets measured at fair value			
Investment property			808,669
Production property			437,633
Hotel property			1,441,838

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

	2014 Level 1 DKK '000	Level 2 DKK '000	Level 3 DKK '000
Disclosures about assets and liabilities determined at fair value			
Liabilities measured at fair value			
Financial liabilities, negative market value of interest rate swap		241,516[1]	
Assets measured at fair value			
Investment property			793,515
Production property			453,617
Hotel property			1,444,847

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

Investment property comprises showrooms, office leases, storage building and undeveloped sites. Production property comprises auditoriums, conference facilities and halls. The fair value of property comprises properties including land. Properties are measured at fair value without the assistance of an external real estate appraiser. The capitalised value (NPV) is allocated on negotiable assets, primarily property. Cash flows are determined according to the DCF model (Discounted Cash Flow).

Cash flows are based on an operating forecast prepared by the Company's Management. Following a five-year forecast period, a 'terminal operating year' is calculated, which is adjusted by an annual growth rate of 2% going forward (2014: 2%). Please refer to note 1 for additional information on fair value measurement. Main assumptions applied in the five-year forecast period:

1) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The value is in accordance with the information from Nordea.

	2015	2014
	DKK '000	DKK '000
Note 15 – Recognised fair value measurements		
Investment property		
Rental income etc. year 1	44,055	42,990
Average annual revenue growth 2015-2020 (2014: 2014-2019)	1.15%	4%
Annual idle rent	6-10%	6-10%
Growth rate from 2021, estimated (2014: 2020)	1.15%	1.25%
Production property		
Revenue year 1	442,430	327,529
Average annual revenue growth 2015-2020 (2014: 2014-2019)	2%	2%
Growth rate from 2021, estimated (2014: 2020)	2%	2%
Hotel property		
Revenue year 1	246,440	251,699
Average annual revenue growth 2015-2020 (2014: 2014-2019)	2%	3%
Average annual increase in occupancy levels	1%	1%
Growth rate from 2021, estimated (2014: 2020)	1.50%	1.50%

Note 16 – Investments in subsidiaries

Cost at 1 January	0	0
Additions for the year	500	0
Cost at 31 December	**500**	**0**

Investments in subsidiaries are specified as follows:

	Share capital	Votes and ownership	Equity	Net profit/loss for the year
	DKK '000		DKK '000	DKK '000
Name/place of registered office				
Bellakvarter Projektselskab A/S	500	100%	500	0
Copenhagen				

	2015	2014
	DKK '000	DKK '000
Note 17 – Deposits		
Cost at 1 January	1,895	1,881
Additions for the year	(2)	14
Cost at 31 December	**1,893**	**1,895**

Note 18 – Inventories

	2015 DKK '000	2014 DKK '000
Property held for sale		
At 1 January	17,528	0
Additions, transfer from investment property	79,095	0
Additions, properties under construction	56,335	17,528
Disposals	0	0
At 31 December	152,958	17,528
Developed land area in progress (square metres)	36,900	0

The Company incorporated the fully owned subsidiary Bellakvarter Projektselskab A/S through a framework agreement. The agreement describes the method of the transfer and payment for the initial development activities. The agreement also sets out the rights and obligations of the Company and Bellakvarter Projektselskab A/S in the further development process.

	2015	2014
Inventories		
Finished goods	3,172	3,071
At 31 December	3,172	3,071
Cost of sales (from finished goods)	*44,127*	*43,625*
Carrying amount at 31 December 2015	**156,130**	**20,599**

Note 19 – Trade receivables

	2015	2014
Trade receivables	67,281	57,929
At 31 December	67,281	57,929

Write downs which included the above receivables have developed as follows:

	2015	2014
At 1 January	2,575	3,986
Provision	867	0
Reversed provisions	0	(2,177)
At 31 December	3,442	2,575

In addition receivables at 31/12 were overdue, but not impaired as follows:

	2015	2014
Up to 30 days	24,096	8,602
Between 30 days and 90 days	678	4,545
Over 90 days	5,380	5,950
Overdue net receivables at 31 December	30,154	19,097

Note 20 – Share capital

	2015 DKK '000	2014 DKK '000
Share capital at 1 January	257,642	206,138
Capital increase	104,948	51,503
Share capital at 31 December	362,590	257,642

The share capital consists of 1,726,619,321 shares of a nominal value of DKK 0,21. No shares carry any special rights.
At 31 December 409,521,362 new shares were issued and fully paid. 99,164 new shares were issued but not yet paid per 31 December. The remaining acquisition and payment of 99,164 shares are recognised in the 2016 Financial Statements.

	2015	2014
Number of shares at 1 January	1,226,865,703	981,615,190
Capital increase	499,753,618	245,250,513
Number of shares at 31 December	1,726,619,321	1,226,865,703

Note 21 – Own shares

	Number of items 2015	Number of items 2014	Nominal value 2015 DKK '000	Nominal value 2014 DKK '000	Share of share capital 2015 %	Share of share capital 2014 %
At 1 January	0	178,000	0	37	0	0.02
Purchase	0	0	0	0	0	0
Sales	0	178,000	0	37	0	0.02
Own shares at 31 December	0	0	0	0	0	0

Note 22 – Deferred tax

	2015 DKK '000	2014 DKK '000
Deferred tax at 1 January	143,643	146,816
Taxes from merged companies	(3,114)	(27,612)
Adjustments in deferred tax because of changed tax rate	(3,615)	(4,719)
Adjustments in deferred tax of other comprehensive income	6,730	29,158
Deferred tax at 31 December	**159,066**	**143,643**

	Deferred tax asset 2015 DKK '000	Deferred tax liability 2015 DKK '000	Deferred tax asset 2014 DKK '000	Deferred tax liability 2014 DKK '000
Tangible assets		223,307	0	208,240
Receivables	757		579	0
Long-term debt	2,239		3,525	0
Other payables	375		675	0
Tax loss	60,869		59,818	0
Total deferred tax	**64,240**	**223,307**	**64,597**	**208,240**

Tax losses are recognised in deferred tax assets to the extent that the losses are expected to be utilised in future taxable profits.

Note 23 – Credit institutions

	2015 DKK '000	2014 DKK '000
Loans and receivables at amortised cost		
Deposits	1,893	1,895
Trade receivables	67,281	57,929
Other receivables	13,240	28,183
Cash	14,611	4,409
Loans and receivables, total	97,025	92,416

The carrying amount of financial assets is a good approximation for the fair value.

	2015 DKK '000	2014 DKK '000
Financial obligations at amortised cost		
Credit institutions	1,320,662	1,349,515
Borrowings	92,045	74,870
Deposits	15,539	14,384
Accounts payables	54,868	73,335
Other payables	24,504	25,555
Loans and receivables, total	1,507,618	1,537,659
Financial obligations at fair value through other comprehensive income		
Interest rate swap	210,504	241,516

The fair value of the interest rate swap is recognised according to the accounting principles of investment activities. In 2015 DKK 31,012k was recognised as financial income (2014: DKK (65,755)k). The interest rate swap expires in 2030.

	2015 DKK '000	2014 DKK '000
Financial obligations, total	1,718,122	1,779,175
Financial obligations at amortized cost		
Within 1 year	293,789	277,206
Between 1 and 5 years	460,567	372,171
Between 5 and 10 year	564,784	383,079
Between 10 and 15 years	410,227	490,975
More than 15 years	233,459	476,795
Gross value at 31 December	1,962,827	2,000,226
Of this amortisation and interest	(441,059)	(485,096)
Financial obligations at amortised cost at 31 December	1,521,768	1,515,130

Financial obligations constitute a gross value which is determined as the sum of interest and repayment of payables as regards loan creditors, trade creditors and other payment obligations due in the intervals indicated. Liabilities with no fixed maturity, including overdraft facilities, deposits etc. are recognised as due within 1 year.

	2015	2014
	DKK '000	DKK '000
Financial obligations at fair value		
Within 1 year	242,622	225,664
Between 1 and 5 years	280,316	194,097
Between 5 and 10 year	419,524	226,185
Between 10 and 15 years	353,518	409,713
More than 15 years	225,787	459,471
Fair value at 31 December	1,521,768	1,515,130

Financial obligations also constitute a gross value which is determined exclusive of interest and inclusive of exchange losses etc. when early repaid.

To eliminate the risk of fluctuations in interest payments, interest rate swap agreements have been entered into as regards the Company's long-term mortgage loans.

The Company has entered into the following swap contracts through Nordea:

- DKK 750 million CIBOR6 interest rate at a fixed interest rate of 5.067%, which expires on 30 December 2030, serial payment.

In case of early repayment of the Company's floating-rate mortgage loans hedged by fixed-rate interest rate swaps, the cost payable on redemption will be subject to supplementary payment of the discounted present value of interest rate differences between the borrowing rate and the swap interest rate until maturity of the interest rate swap. Consequently, the negative fair value of interest rate swaps at 31 December 2015 is included in the balance sheet under short-term payables. The calculated present value based on expected interest rate differences is determined by the provider of the interest rate swaps (Nordea).

The hedging reserve under equity comprises the market value of swap agreements entered into, which at the balance sheet date constituted DKK 115,819k after tax (recognised under other reserves in the Equity statement at 31 December 2015). As the Company has ceased applying the provisions on hedge accounting from 1 January 2013, the reserve includes value adjustments up until this date, adjusted for subsequent reclassifications of the income statement via other comprehensive income.

In 2015, a positive DKK 31,012k (2014: Expense DKK 65,755) was recognised under financial items in the income statement because of the swap contracts entered into.

Fair value adjustments are recognised under financial items in the income statement and in other comprehensive income:

	2015			2014		
	Adjusted through profit and loss DKK '000	**Adjusted through other comprehensive income** DKK '000	**Fair value** DKK '000	**Adjusted through profit and loss** DKK '000	**Adjusted through other comprehensive income** DKK '000	**Fair value** DKK '000
Interest rate swap, gross	(352)	31,364	210,504	(103,120)	37,365	241,516
	(352)	**31,364**	**210,504**	**(103,120)**	**37,365**	**241,516**

Note 24 – Collateral

	2015 DKK '000	2014 DKK '000

The following assets have been provided as collateral for debt to credit institutions:

	2015 DKK '000	2014 DKK '000
Production, hotel and investment property carrying amount	2,688,140	2,691,979
	2,688,140	2,691,979
Collateral has been provided through the following:		
Mortgage, Nordea Kredit Realkredit A/S	330,004	109,349
Mortgage, Nordea Kredit Realkredit A/S	109,412	39,970
Mortgage, Nordea Kredit Realkredit A/S	146,589	111,854
Mortgage, Nordea Kredit Realkredit A/S	756,374	750,696
Mortgage, Nordea Kredit Realkredit A/S	0	330,004
Mortgage deed registered to the mortgagor	312,000	115,000
Total	1,654,379	1,456,873

Note 25 - Contingent liabilities and other financial obligations

The Company has entered into operating lease agreements for offices and warehouses, cars and equipment. The lease terms are up to 10 years, and the majority of the lease agreements are renewable at the end of the lease period at market rate. Future minimum lease payments under operating lease contracts and rent commitments amount to:

	2015	2014
Within 1 year		
Operational rental obligations	5,691	5,800
Operational lease obligations	1,707	1,726
	7,398	7,526
Between 1 and 5 years		
Operational rental obligations	23,114	24,072
Operational lease obligations	1,223	1,160
	24,337	25,232
After 5 years		
Operational rental obligations	2,933	3,098
Operational lease obligations	0	0
	2,933	3,098
Operating lease costs for the year	1,672	2,209
Cost of rent for the year	5,685	5,737

Finance leases

The Company has entered into finance leases for fixtures and fittings. At the end of the leases, the Company has the option to acquire the assets at favourable prices. The leased assets are pledged as collateral for leasing obligations.

Obligations under finance leases are included under debt to credit institutions:

	2015		2014	
	Minimum lease payments	Fair value of minimum lease payments	Minimum lease payments	Fair value of minimum lease payments
	DKK '000	DKK '000	DKK '000	DKK '000
Within 1 year	2,868	2,656	2,445	2,222
1-5 years	7,603	5,754	8,428	6,191
After 5 years	5	3	446	252
	10,476	8,413	11,319	8,665
Interest element	(938)	0	(1,158)	0
Fair value	**9,538**	**8,413**	**10,161**	**8,665**

Contingent liabilities

On 30 September 2015 the Company entered into a framework agreement, "Rammeaftale", with the fully owned subsidiary Bellakvarter Projektselskab A/S. The agreement pledged the Company to support Bellakvarter Projektselskab A/S with funding to its development activities.

The Danish Group companies are jointly and severally liable for tax of the group's jointly taxed income etc. for 2015. The total amount is stated in the Annual Report of 'Solstra Investments A/S', which is the administration company in relation to the joint taxation.

Note 26 - Financial risks

Risk management policy of the Company

Due to its operation, investments and financing, the Company is exposed to changes in exchange rates and interest-rate levels. It is the Company's policy not to speculate in financial risks. The Company's financial management is therefore solely aimed at management of financial risks directly related to the Company's operation and financing.

It is Management's objective to have a solvency ratio between 0,25 - 0,30. Aside from an overdraft facility that manages the normal fluctuations from the working capital, Management aims at primarily long-term mortgage financing with a loan-to-value ratio around 60%.

Currency risks

Most of the Company's income and expenses are in DKK. Approximately 8% of the Company's revenue is invoiced in EUR. Exposures in EUR are not hedged. The Company believes this does not involve significant risk. Certain investments and purchases are handled in EUR. No loans have been raised in foreign currencies.

Interest rate risks

Most of the Company's financing comprises long-term floating-rate mortgage loans. In 2008/2010, interest-rate hedging was agreed for 20-year mortgage loans of DKK 750 million. A discount to net present value of the interest rate difference between floating-rate loans and the fixed-rate interest rate swaps constitutes a negative DKK 210,5 million (2014: a negative DKK 241,5 million), also known as the market value on early repayment.

Remaining borrowing consists of floating-rate F3, S3 or CIBOR6-based loans. Current bank loans comprise floating-rate NBOR bank overdraft. The interest-rate hedging of mortgage loans has been performed to reduce the business risks related to market rate fluctuations. Interest-rate hedging is settled by the Executive Board in cooperation with the Company's Chairman of the Board of Directors and in connection with the specific investment project. At the end of 2015, the interest-rate hedging covered approximately 53% (2014: 53%) of the total net bank debt. In general, Management does not see any advantages in hedging in the current or the future market.

The Company has performed a sensitivity analysis on the part of the debt not covered by interest-rate hedging. The sensitivity related to fluctuations in the interest rate is based on the assumption that the rate can decrease as low as zero or increase by 1% from the 2015 level and will affect the interest costs in the range + DKK 2 million/- DKK 5 million. Please refer to note 10 for details on the sensitivity related to interest on return underlying measurement of property.

Liquidity risks

The Company's liquidity risks are linked to short-term loan agreements with credit institutions, corresponding to secured mortgage debt. Terms and conditions for the Company's credit are negotiated with the credit institutions on an ongoing basis. The Company aims at settling as much of the Company's loan financing as possible. Repayment obligations at 31 December 2015 appear from note 19 on financial assets and liabilities.

The Companys's cash resources consist of cash and unutilised credit facilities. It is the Company's goal to have sufficient cash resources to be able to act appropriately in case of unforeseen fluctuations in cash. The Company's liquidity is managed based on projection of the operation and expected ingoing and outgoing payments. The projections are updated frequently. The frequency is adjusted to the size of the undrawn credit facilities.

Credit risk

Short-term lease of the Company's facilities is usually accompanied by prepayments from customers. A credit sale is mainly used in connection with deliveries related to the individual events. A credit risk arises in connection with fluctuations in trade receivable balances, prepayments as well as sub-suppliers. The maximum credit risk corresponds to the carrying amounts recognised in the balance sheet. The exposure to credit risk from trade receivables, payment terms and credit limits are determined based on an assessment of the customer, including the customer's financial position and the current market conditions.

Capital management

The purpose of capital management is to ensure sufficient return on investments and fulfilment of credit agreements and other liabilities. The Company aims at generating a competitive operating income which is reflected in the discount rates on which measurement of the properties is based. In addition to the Company's operation, equity is affected by value adjustment of properties, either via the income statement (investment property) or directly in the revaluation reserve (production property). The operation of the properties is currently monitored and managed, which results in projections of the income development, which in turn are used for measurement in the balance sheet. The financing strategy is determined in cooperation with the Board of Directors and the Company's main bank connection and is revised as required and in connection with major investment projects. At least once a year, the composition and the terms of all loan financing are assessed. In this connection, the optimal capital structure for the Company in the future is considered. All insurance matters are assessed once a year in cooperation with external consultants.

Note 27 – Related party transactions

The Company is controlled by Bella Solstra A/S, which holds 82 % of the votes in the Company. The intermediate company is Solstra Investments A/S.

Related parties are considered to be the Board of Directors, Key Management and Solstra Investments A/S' subsidiaries such as Bella Solstra Holding A/S, Bella Solstra A/S, Hotelinvest Kalvebod A/S and Bellakvarter Projektselskab A/S.

	2015 DKK '000	**2014** DKK '000
Transactions		
Parent		
Capital increases	104,948	51,503
Affiliated		
Sales of goods and services	11,657	0
Purchase of goods and services	1,117	0
Subsidiaries		
Sales of goods and services	1,582	0
Purchase of goods and services	80,675	0
Key Management		
Sales of goods and services	0	1,400
Purchase of goods and services	667	0
For "Remuneration of Key Management please see disclosures in Note 4		
Outstanding balances		
Parent		
Receivables	5,388	23,075
Payables	(6,645)	0
Corporate taxes, administration company	(3,412)	(7,371)
Subsidiaries		
Payables	(9,440)	0
Key Management		
Payables	0	(109)

The Company is included in the Consolidated Financial Statements of Solstra Investments A/S.

The Group Annual Report of Solstra Investments A/S may be obtained at the following address:

Solstra Investments A/S
Lautrupsgade 7
DK-2100 København Ø

The Company is included in the Consolidated Financial Statements of the ultimate parent company Solstra Holdings Cyprus Ltd., Cyprus. As a result of the legislation in Cyprus the Consolidated Financial Statements are not published.

Shareholders per 31 December 2015 with more than 5% of the share capital or 5% of the votes are:

Bella Solstra A/S, c/o Solstra Investments A/S, Lautrupsgade 7, 2100 København Ø
Alm. Brand Bank A/S, Midtermolen 7, 2100 København Ø

Controlling interest	Basis
ALFI 2 Trust, Jersey	Ultimate parent company
Solstra Investments A/S, Denmark	Intermediate parent company
Bella Solstra A/S, Denmark	Immediate parent company